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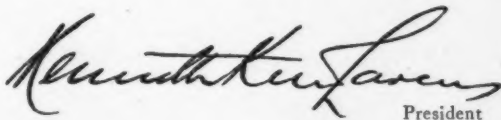
THE CORPORATION TRUST COMPANY AND AFFILIATED COMPANIES

The policy of The Corporation Trust Company in all matters relating to the incorporation, qualification, statutory representation, and maintenance of corporations, is to deal exclusively with members of the bar.

Attention is directed to the article beginning on page 259 of this number of The Corporation Journal, discussing the importance of a foreign corporation maintaining at all times a statutory agency in the states in which it is qualified to do business.

A recent decision of importance by the Court of Chancery of New Jersey will be found digested on page 262. This decision deals with contracts between corporations having a common director and the right of a corporation to amend its certificate to create a new class of preferred stock superior to the preferred stock outstanding.

Also see decision on page 260, in which the Supreme Court of Arkansas holds corporate officers personally liable for debts of the corporation contracted during the period of default, for their failure to file annual report showing financial condition of the company.



President

THE CORPORATION TRUST COMPANY

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WILMINGTON, DELAWARE
(The Corporation Trust Co. of America)

The Corporation Trust Company was founded in 1892 to gather and compile for lawyers official information in regard to the laws, regulations, court decisions and local practice in various states relating to the organization, qualification, taxation and maintenance of business corporations; and to assist attorneys in the details of organization or qualification in any state.

For the conduct of this branch of its business the company now has offices and representatives in every state and territory of the United States and in every province of Canada; furnishes complete and up to the minute information, precedents and assistance in drafting all required papers for incorporation or qualification in any state, territory or province, and under the attorney's direction performs all necessary steps, and furnishes the statutory office or agent required. This service is rendered to members of the bar only.

Because of the unique organization thus built up, especially trained and experienced in the gathering and furnishing of exact official information, it naturally fell to the lot of The Corporation Trust Company to originate and furnish, as they became needed, The Federal Income Tax, Federal War Tax, Federal Reserve Act, Federal Trade Commission, Supreme Court, and New York Income Tax Services; The Stock Transfer Guide and Service (covering all requirements under the various state Inheritance Tax and Federal Estate Tax Laws, the various state probate laws, and the Uniform Requirements of the New York Stock Transfer Association, relating to the transfer of corporation securities); The Congressional Service (covering proposed legislation in Congress); and special services to lawyers and their clients having business to take up with committees, commissions, boards or officials at Washington.

Incorporated under the banking law of the State of New York, and its affiliated company incorporated under the trust company law of the State of New Jersey, the company is also qualified to act for corporations as Transfer Agent or Registrar of their securities, or as Trustee, Custodian of Securities, Escrow Depositary, or Depositary for Reorganization Committees. As an adjunct to these services it also assists counsel in procuring the listing of securities on the New York Stock Exchange.

Details of any of these services will gladly be furnished at any of the company's offices listed above.

THE CORPORATION JOURNAL

Edited by John H. Sears of the New York Bar

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FOREIGN CORPORATIONS

Importance of Keeping up Statutory Agency

After a corporation has been admitted or qualified to do business as a foreign corporation in a state and besides complying with other requirements has appointed an agent upon whom service of process may be made, how important to the corporation is the maintenance of the agency?

It is not the intention within the limits of this article to discuss the importance to the corporation of appointing as an agent for process a person who will appreciate the general significance of summonses, complaints, petitions, injunctions, court orders, legal notices and other documents which may be served upon him and who will promptly forward such papers to the proper officials of the corporation. The present purpose is to direct attention to the importance of maintaining whatever agency may have been constituted by the company. A foreign corporation involved in the activities of its business of buying, selling, constructing, manufacturing and what not is almost sure to overlook the fact that an individual, perhaps long ago appointed as process agent, has resigned from the employ of the company or moved to another city or state or has died. No action on the part of the state, no checking within the organization itself, will bring the vacancy to the attention of the corporation. Default in a lawsuit,

after the damage has been done too late for repair, is possibly the only means of making known to the corporation that it has not complied with the law by keeping an agent at all times available for service of process. A striking example of loss to a corporation in this respect is the case of *S. B. Reese Lumber Co. v. Licking Coal & Lumber Co.*, 161 S. W. 1124. In this case a foreign corporation, by an instrument filed in the office of the Secretary of the State of Kentucky, had appointed an employee named Cook as agent for service of process. At the time of service upon him in the case he was no longer an employee and did not notify the corporation which he had formerly represented that he had been served with process. The company failed to appear to defend the suit and judgment was rendered against it for \$783.36. The court refused to reopen the case, stating that the default was due to the company's own negligence in not promptly appointing a successor to Cook when he left its employ.

Many other forms of loss may occur to a foreign corporation because of its failure to refill the office of process agent. Certain states have specific penalties with respect to this matter. An example is found in the State of Idaho. The statutes of that state referring to foreign corporations contain the following provision:

"Every such corporation which fails to comply with the provisions of this section shall be denied the benefit of the statutes of the state limiting the time for the commencement of civil actions, and any limitations in such statutes shall only run in favor of such corporations during such time as such person, duly designated, as aforesaid, upon whom service can be made, shall be within the state." (Sec. 4778 Compiled Statutes, 1919.)

This statute was applied in the case of *Dahlstrom v. Walker*, 194 Pacific 847. The Portland Mining Company, an Oregon corporation doing business in Idaho, had appointed a statutory agent in 1891, who in the year 1892 departed from Idaho and had not returned to that state since that time and no other statutory agent had been designated. Under the statute above referred to this fact prevented the corporation from having the benefit of the statute of limitations. It was contended that provision was made in the statutes for service upon the County Auditor when the statutory agent of a foreign corporation has removed

from or ceased to be a resident, with like effect as though said service had been made upon an agent or person duly appointed by the corporation. The court held, however, that this provision of the statute did not overcome the provision of the statute above quoted and a foreign corporation which has failed to supply a vacancy in its appointment of a process agent is debarred from asserting the privileges afforded by the statute of limitations.

The obvious method of overcoming the actual and possible losses by failure to keep filled the position of statutory agent is to employ the system furnished by The Corporation Trust Company. Not only are the agents furnished by this company trained in handling matters of this kind and such as will appreciate the importance of promptly reporting service of process upon them, but their position will be continually maintained and vacancies promptly filled because this is a part of the regular business activity of the Corporation Trust Company and not a mere outside detail which a business corporation in the transaction of its active business will overlook.

Domestic Corporations

Arkansas.

Liability of Corporate Officers for Failure to file Annual Report.

This action is brought by certain creditors of the Arkansas Brick & Lumber Company, a domestic corporation, against the president and secretary of the company seeking to hold them personally liable for debts contracted during the period of default for their failure to file a certificate showing the financial condition of the company, as provided by statute. The sections applying (1715 and 1726, Crawford & Moses' Digest) provide that the president and secretary shall annually make a certificate showing the condition of the affairs of the corporation, as nearly as the same can be ascertained, on the first day of January or of July next preceding the time of making such certificate, which

certificate shall be deposited on or before the fifteenth day of February or of August with the county clerk. It was shown that the corporation was organized on the fifth day of February, 1920, and that the statement was not filed until June 11, 1921. It was contended, however, that the use of the word "annually" in the statute meant that the certificate should embrace a full year's business of a corporation and that in the instant case a full year's business had not been completed on either July 1, 1920, or January 1, 1921. The Supreme Court of Arkansas, in holding the officers liable, makes the following comment in construing the statute: "We think the intent of the Legislature, as gleaned from the language of the statutes, was to require the officers of a corporation to file a certificate showing its financial condition either on July 1st or January 1st during each year of its existence, and not later than February 15th or August 15th, as the case may be. We think the word 'annually' used in the statute relates to the time at which the certificate may or must be filed. It may be filed either on January 1st or July 1st, but must be filed not later than February 15th or August 15th as the case may be, during the calendar year of the existence of the corporation." The Court further held that the word "annually" as used in the statute means that the certificate must be filed yearly or once in the year. *Culberhouse et al. v. Fischer Lime & Cement Co. et al.*, 266 S. W. 974. Horace Sloan, of Jonesboro, for appellants. Cooley, Adams & Fuhr, of Jonesboro, for appellees.

Connecticut.

Conditional Contract of Corporation to repurchase its Stock Held Attempted Preference and Ultra Vires. The Supreme Court of Errors of Connecticut makes the following comment with reference to a contract between the Kelly Tire & Rubber Company and one of its stockholders, in which the corporation contracted to repurchase the stockholder's holdings: "The contract on the part of the Kelly Company is to buy its own stock from a stockholder, in case it cannot satisfactorily carry out its corporate purposes, and in that event to buy it at the same price which the stockholder paid for it when the corporation was expected to be successful. This contract is open to the fundamental objection that it attempts to give a preference to the claimant out of corporate assets as against other stockholders, and perhaps against creditors also, as the facts may appear at the termination of the present receivership. It is also ultra vires in the larger sense of being opposed to public policy, for section 3429, G. S., provides that: 'No corporation shall acquire, purchase and hold its own stock unless to prevent loss upon a debt previously contracted, except with the approval of stockholders owning three-fourths of its entire outstanding capital stock given at a stockholders' meeting warned and held for that purpose;'—and no such meeting was held." *Martin Tire & Rubber Co. v. Kelly Tire & Rubber Co.*, 126 Atl. 697. Joseph G. Shapiro and Harry Allison Goldstein, both of Bridgeport, for appellant. Albert H. Barclay, of New Haven, for appellee.

Louisiana.

Ownership of All of the Stock of a Corporation by One Person does not destroy Corporate Entity. The United States District Court (W. D. Louisiana) makes the following comment with reference to the ownership by one person, of all of the stock of a corporation: "There is no reason why one person may not own all of the stock of a corporation, and yet that entity be entirely responsible for its affairs as distinguished from the individual. Of course, official corporate action could not be had, such as directors' meetings and the exercise of powers required to be performed in that manner; but the ordinary business of the corporation, if it were originally legally organized in good faith, could be carried on and continued, even though there be but one stockholder. There is no doubt but that the corporation was originally validly formed, and that one or two shares of stock stand in the names of employees of the concern for purposes of corporate action. This charge and the evidence in support thereof affords no ground for revoking the permit." *Shreveport Drug Co. v. Jackson*, 2 F. (2d) 65. *Wilkinson, Lewis & Wilkinson and Jos. H. Levy*, all of Shreveport, for plaintiff. *Philip H. Mecom*, U. S. Atty., of Shreveport, and *William L. Taggart*, Sp. U. S. Atty., of Washington, D. C., for defendants.

New Jersey.

Contracts between Corporations having Common Director. Certificate amended to create New Class of Preferred Stock superior to Preferred Stock outstanding. The Court of Chancery of New Jersey, in a recent decision, holds that while the presence of a common director does not render a contract between two corporations void, nevertheless the concealment of that fact from the stockholders, whether honestly or not, renders ineffectual as against a single protesting stockholder any vote that might be taken upon a certification to a stockholders' meeting. The court, in reaching this conclusion, quotes the following from the case of *United States Steel Corporation v. Hodge*, 64 N. J. Eq. 807: "The rule that directors cannot lawfully enter into a contract, in the benefit of which even one of their number participates without the knowledge and consent of the stockholders, is so firmly entrenched in our jurisprudence that it is not open to debate." In the instant case the stockholders were asked to permit, among other things, the purchase for retirement of a certain number of shares of outstanding preferred stock, part of the shares to be purchased from a "large banking corporation in New York City." The name of the banking corporation was not made known to the stockholders at the time the contract was ratified nor was the fact that the president of the banking corporation was also a director of the purchasing corporation. The court further states that the above rule applies even though the common director did not enter into the negotiations in any way. The Court also holds that a corporation may amend its certificate of incorporation to provide for a new class of preferred stock superior, both as to dividend and liquidation value, over the preferred stock issued and outstanding, this right being conferred by the 27th section of the Corporation Act (as it stood in 1899

when the corporation was incorporated) allowing a corporation to amend its certificate to create one or more classes of preferred stock and to make other amendments, change or alteration as may be desired; and further that such amendment is not prohibited by the 18th section, allowing a corporation to fix its various classes of stock "as stated and expressed in the certificate of incorporation," as this when read with the 27th section merely means the certificate in its form at the time of the issuance of the new class of stock. *General Investment Co. v. American Hide & Leather Co.* *Jacob B. Joel et al. v. Same*, 3 N. J. Adv. R. 68, 233. *Hudspeth & Demarest, of Jersey City (by Elmer W. Demarest) for General Investment Co. McCarter & English, of Newark (by Arthur F. Egner), for Jacob B. Joel et al. Pitney, Hardin & Skinner of Newark (by John R. Hardin and Waldron M. Ward), for defendant.*

Ohio

Liability of Corporation for wrongful refusal to transfer its Stock.

This action is brought by a stockholder of the Cincinnati Finance Company, being based on the corporation's refusal to transfer certain shares of its capital stock. The Supreme Court of Ohio in fixing the liability of the corporation for its refusal says that the measure of damages in an action for conversion for wrongfully refusing to transfer stock on the books of the corporation, on application of the bona fide owner and holder thereof, is the market value of the stock at the time the right of action accrued, if the stock had a market value. If the stock had no market value, then the measure of damages is its actual value to be determined by all the circumstances, such as dividend earning capacity, good will of the corporation, or any other element going to make up its actual value. *Cincinnati Finance Co. v. Booth*, 145 N. E. 543. *Herbert E. Ritchie, of Cincinnati, for plaintiff in error. F. B. McConaughy, of Cincinnati, for defendant in error.*

Oklahoma.

After Redemption, Bonds cannot be reissued by Corporate Officers to secure Debt of Corporation. In an action instituted for the purpose of foreclosing a mortgage or deed of trust on certain property of the Southern Refining Company, it appeared that the refining company had authorized the issuance of bonds in the aggregate sum of \$60,000 to be secured by a mortgage on its physical properties, that bonds Nos. 1 to 5, inclusive, were originally sold to the First National Bank of Haskell and bonds Nos. 6 to 8, inclusive, were sold to another person and were all paid or redeemed on or about the due date. Subsequent to the redemption, the above-mentioned bonds (Nos. 1 to 8, inclusive, which had not been marked cancelled) were delivered to the First National Bank of Haskell by certain officers of the company, as collateral security for a \$6,000 note of the refining company held by the bank, and the question now presented for determination is whether or not these bonds, were valid outstanding obligations of the refining company at the time they were pledged, and whether or not the bank is entitled to participate in the security to the extent of their pro rata

What You Need the F

In the Sale or Exchange of Property

—To see that you overlook no allowances or deductions permitted by the law or Regulations in fixing basic cost; to review all, and especially the latest, rulings on what items may be considered "capital expenditures" in determining basic cost; to see if, under the law as the Treasury Department is administering it, taxes could be saved by hurrying the sale or exchange, or if it would be better from a tax standpoint to delay the transaction; to see that by the terms of sale or exchange you are not inadvertently incurring a liability for Gift Tax; to see when it would be of advantage to apply the capital net gain $12\frac{1}{2}\%$ method; to see that the terms of the sale are such as will not result in a greater amount of tax than would result from other possible terms; to see, in case of exchange, what facts must be established at time of exchange to make the transaction one involving no loss or gain for tax purposes, and what the Treasury Department accepts as establishing those facts; and to observe all other precautions against incurring liability for excessive or unnecessary taxation.

In the Purchase of Property

—To measure possible applicability of the "cost to transferor" provisions of the Revenue law; to see what records are necessary to establish the correct cost for future tax purposes, and to establish the basis for future depreciation and depletion allowances; to determine the extent to which allocation of cost to the several properties or groups of properties is necessary; if the purchase is not

connected with the taxpayer's trade or business but is nevertheless entered into for profit, to see what records are needed as evidence of that fact; and to observe all other precautions against incurring liability for excessive or unnecessary taxation.

In Organization or Reorganization of a Corporation

—To determine the most economical method, for Stamp Tax purposes, of issuing and transferring the corporation's stock; to see, in the case of reorganization, that it is effected tax free when possible; to see that the plan of organization is such as will result in the least possible tax burden to all concerned; to see what is necessary at the outset to permit the corporation to establish the correct basis for determination of gain or loss on any future sale of its properties; if a holding company, to see that the charter complies with the requirements for exemption from Capital Stock Tax; to see what is construed by the latest Regulations or rulings as evidence that a corporation is being formed or used to prevent the imposition of surtaxes on its stockholders, so that no danger may be incurred of the 50% penalty tax on the corporation; to see that the method adopted for the original stock issue does not unintentionally create a liability for Gift Tax; and to observe all other precautions against incurring liability for excessive or unnecessary taxation.

In Taking Action as a Fiduciary

—To see what deductions are available; to see what income is taxable to the fiduciary and what

General Tax Service For—

to the beneficiary; to see when, in selling capital assets of the estate or trust, it would be of advantage to apply the capital net gain $12\frac{1}{2}\%$ method; to be informed of what conditions may lay the grantor of a trust liable as a beneficiary for tax purposes; to see what is necessary in order to establish the basis for determination of gain or loss in the event of sale of properties; to measure the effect of the payment of estate taxes; to avoid inadvertently incurring liability under the Gift Tax; and to observe all other precautions against incurring liability for excessive or unnecessary taxation.

In Management of Corporate Affairs

—To see that full advantage is taken on Federal Tax returns of all depreciation, depletion and obsolescence deductions allowed by law; to see what records are required by the Treasury Department to establish the company's right to the proper deductions for depreciation, depletion, obsolescence, bad debts, etc.; to determine the most economical method, for Stamp Tax purposes, of making the company's original issue of stock; to know the latest official rulings on what constitutes "reasonable compensation" paid to officers or employees; to have the latest official information as to treatment, in corporation tax returns, of bonuses to employees or

others, contributions to public affairs, etc.; to avoid putting an income tax liability on stockholders in connection with the declaration of stock-dividends; to keep abreast of latest information as to what items may be classified as "capital expenditures"; to avoid letting the company lay itself liable, through its dividend policy, to the 50% penalty tax for accumulating a larger surplus than reasonable in its line of business; to have exact information always available as to determination of Net Loss; to see that the company's selling terms, if it sells goods or services, or any of its property, on time, are such as make available the most favorable method of returning income for tax purposes; to make a correct comparison of the relative advantages to the company of any two proposed business projects as regards their effect on the company's Federal taxes; to determine what stock will not be considered, for Stamp Tax purposes, as "original issue"; to determine, in the purchase of property, the extent to which allocation of cost to the several properties or groups of properties is necessary; to see what records are essential in any transaction in order to protect the company's interests in all later returns for Federal tax purposes; and to observe all other precautions against incurring for the company or its stockholders a liability for excessive or unnecessary taxation.

—In fact, in ANY transaction that may result in a substantial gain or loss.

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share of the bond. The Supreme Court of Oklahoma in passing on this point says: "A corporation can only issue bonds at the instance, and under the direction of its board of directors, and the pledging of bonds by an officer of the corporation, after maturity, which have been redeemed, to secure outstanding indebtedness of the corporation is unauthorized, and such bonds are not entitled to be taken into consideration or participate in foreclosure proceedings by the holders of other unredeemed bonds, to the prejudice of the interest of the holders of the unredeemed bonds." *First Nat. Bank of Haskell v. Dingledein et al.*, 229 Pac. 490. Villard Martin, of Muskogee, for plaintiff in error. Warren L. White, of Springfield, Mo., and W. H. Clark, of Muskogee, for defendants in error.

Pennsylvania.

Court of Equity has no Jurisdiction to restrain action by or remove Corporate Officers. The Supreme Court of Pennsylvania, in a recent decision, holds that a court of equity has no jurisdiction to remove officers of a corporation from office or to otherwise restrain such officers from performing the functions of their office. The court sets aside a decree entered against the president of the Merchants Transfer & Storage Company forbidding him from exercising the duties necessary in the management of the corporation. In the instant case considerable evidence was introduced to show that the president was not a suitable person to manage the affairs of the company, however, the court was of the opinion that to allow a chancery to forbid an officer chosen in the proper corporate way to act would be in effect a substitution of his judgment for that of the stockholders or the directors chosen by them. The court cites the case of *Neall v. Hill*, 16 Calif. 145, holding that a decree which undertook to remove certain officers of a company and to enjoin them from discharging the duties of their offices could not be maintained and that the entering of such order was an improper exercise of judicial authority. *Whyte v. Faust et al.*, 281 Pa. 444. W. W. Stoner, of J. M. Stoner & Sons, of Pittsburgh, for appellant. A. S. Moorhead, of Dunn & Moorhead, of Pittsburgh, for appellee.

Tennessee.

Uniform Stock Transfer Act Held Unconstitutional. The Supreme Court of Tennessee, in a recent decision, holds the Uniform Stock Transfer Act of that state unconstitutional on the following grounds: "Chapter 113 of the Acts of 1917 is entitled, 'An act to make uniform with the laws of other states the law of transfer of shares of stock in private corporations chartered, organized and existing under and by virtue of the laws of the state of Tennessee.' Likewise section 1 of the Act of 1917 indicates that the provisions of the statute are only applicable to certificates of stock in Tennessee corporations. Section 22, containing definitions of terms employed in the act, provides that unless the context or subject-matter otherwise requires: 'Certificate means a certificate of stock in a corporation organized under the laws of this state or of another state whose laws are consistent with this act.'

* * * Since the caption of the act limits its scope to provisions with reference to shares of stock of Tennessee corporations, the requirements of section 22, making its provisions relate to shares of stock in corporations chartered in other states, puts another subject in the act, beyond the scope of the title, and renders it unconstitutional." *Heymann v. Hamilton Nat. Bank*, 266 S. W. 1043. *Joe V. Williams and J. L. Levine*, both of Chattanooga, for appellant. *Cantrell, Meacham & Moon and Finlay & Campbell*, all of Chattanooga, for appellee.

Foreign Corporations

Alabama.

Service on Foreign Corporation invalid when made on Officer within state for Personal Reasons. The Supreme Court of Alabama, in holding invalid service of process made on the Ingham Lumber Company, a foreign corporation, by serving the president of the company while in the state for personal reasons, says that the authorities are united in declaring that valid service of local process cannot be made on a foreign corporation by serving it on its officer or agent who comes within the borders of the state with no purpose of transacting any business for the corporation, and vested with no authority therefor. *Burch v. Ingham Lumber Co.*, 102 So. 19. *Hildreth & Hildreth*, of Eutaw, and *R. B. Evins*, of Birmingham, for appellant. *J. F. Aldridge*, of Eutaw, for appellee.

Arizona.

Maintenance of Principal Office in state held to subject Foreign Corporation to jurisdiction of Local Courts. In an action involving a writ of garnishment obtained against the Southern Pacific Railroad Company of Mexico, the Supreme Court of Arizona makes the following statement in answer to the company's contention that it was not within the jurisdiction of the local courts: "The garnishee also claims that being a foreign corporation, operating a railroad located exclusively in the Republic of Mexico, it is exempt from being sued in the courts of Arizona. However, the record shows that it has offices in Tuscon, Pima County, Ariz., where are located most of its principal officers and where a force of employees are engaged in working for it; that it has a permanent bank account in the Consolidated National Bank of Tuscon out of which it pays its local employees and officers and also some of its current bills. Thus it is seen the garnishee's business in Arizona is not only considerable in amount but of a permanent and continuous nature. * * * That the garnishee had submitted itself to the jurisdiction of our courts, so far as debts and liabilities incurred in Arizona are concerned, is certain. It was in the state doing and carrying on business therein, receiving the state's protection and acknowledging its sovereignty over it, and we think generally subject to its processes." *Weitzel v. Weitzel* (Southern Pac. R. Co. of Mexico, Garnishee), 230 Pac. 1106. *Charles Blenman*, of Tuscon, for appellant. *C. J. Hellerstedt and G. O. Hilzinger*, both of Tuscon, and *Charles L. Rawlings*, of Globe, for appellee.

Illinois.

Foreign Corporation purchasing and delivering Coal in State on Orders accepted at Home Office held to be "Doing Business." The West Virginia Coal Company, a Missouri corporation, with its principal and only office in St. Louis, was engaged in the buying and selling of coal in Illinois. It was shown that the company purchased the entire output of certain mines in Illinois, f. o. b. mines, and sold the coal so purchased to consumers in Illinois and elsewhere. That the company was in the habit of sending out printed matter to its customers in which it represented itself as the "operator and sales agent of" several mines in Illinois with a large daily capacity. And it was further shown that large quantities of the coal purchased in Illinois never left the state, being resold and delivered to persons within the state. It was contended, however, that since all sales were made at the office of the corporation in St. Louis that it was engaged in interstate commerce and therefore not subject to the Illinois statute regulating foreign corporations. The Illinois Appellate Court in holding the corporation to be "doing business" says that the evidence clearly shows that the coal purchased by the company became its property when loaded on the cars at the mines and that coal sold by it to people in Illinois was delivered to them at the mines in the state and never became the subject of interstate commerce and that by buying and selling the coal the company was transacting its corporate business in the state without having a license so to do, and was, therefore, not entitled to maintain an action for the purchase price of coal sold. *West Virginia Coal Co. v. Touchette*. (Illinois Appellate Court, Fourth District. Not to be reported.) M. C. Young, of St. Louis, Mo., and Burton & Hamilton, of Peoria, for appellant. William P. Launt, of East St. Louis, for appellee.

Michigan.

Unqualified Foreign Corporation held entitled to maintain Petition for Reclamation of Property. The United States District Court (Michigan) holds, in a recent decision, that an unqualified foreign corporation is entitled to maintain a petition for reclamation of property delivered to the bankrupt prior to the bankruptcy, under a retention title contract, the court stating that the case is governed by the law of Michigan as announced in the case of *Rex Beach Co. v. Garson Productions*, 209 Mich. 692. The decision reverses the referee, who denied the corporation the right to maintain the petition on the ground that it was a foreign corporation not licensed to do business in Michigan. *In re Harmony Theatre Co.* Petition of Heywood-Wakefield Co., 2 F. (2d) 376. Walter I. McKenzie, of Detroit, for trustee. John McNeil Burns, of Detroit, for petitioner.

Attention is directed to the case of *In Re Meyer & Judd*, 1 F. (2d) 513, discussed at length in *Corporation Journal*, No. 133, page 227 (January, 1925) in which an opposite conclusion was reached by a United State District Court in Tennessee.

Taxation

Alaska.

License Tax on Canneries held not interference with Interstate Commerce when applied to Foreign Corporations. In an action by the Territory of Alaska against the Pacific American Fisheries, a Maine corporation, for the collection of certain graduated license taxes imposed because of the operation by the corporation of canneries within the territory, it was contended by the company that the statute imposing the tax contravened the Constitution of the United States in that it was an interference with interstate commerce. It was shown that the company was engaged in the business of catching and canning fish in the waters of the territory for the purpose of transporting and selling them in states and other places outside of Alaska. The United States Circuit Court of Appeals (Ninth Circuit) in holding the statute valid, was of the opinion that the business of catching and canning fish, upon which the tax was laid, was not interstate commerce merely because the fish were later shipped outside the territory. *Pacific American Fisheries v. Territory of Alaska*, 2 F. (2d) 9. Chickering & Gregory, of San Francisco, Cal., Kerr, McCord & Ivey, of Seattle, Wash., R. E. Robertson and H. L. Faulkner, both of Juneau, and Blair S. Shuman, of San Francisco, Cal., for plaintiff in error. John Rustgard, of Juneau, for defendant in error.

Some Important Matters for March and April

This calendar does not purport to cover general taxes or reports to other than state officials, nor those we have been officially advised are not required to be filed. *The State Report and Tax Service* maintained by *The Corporation Trust Company System* sends timely notice to attorneys for subscribing corporations of report and tax matters requiring attention from time to time, furnishing information regarding forms, practices and rulings.

ALABAMA—Annual Franchise Tax payable April 1, but may be paid without penalty until April 30—Domestic and Foreign Corporations.

Annual Franchise Tax statement due between January 1 and March 15—Domestic and Foreign Corporations.

ARIZONA—Annual Statement of Mining Companies due between January 1 and April 1—Domestic and Foreign Corporations engaged in mining of any kind.

CALIFORNIA—Report on General Franchise due within 10 days after first Monday in March—Domestic and Foreign Corporations.

COLORADO—Annual License Tax due on or before May 1—Domestic and Foreign Corporations.

CONNECTICUT—Income Tax Return due on or before April 1—Domestic and Foreign Corporations.

DELAWARE—Annual Franchise Tax due between third Tuesday in March and July 1—Domestic Corporations.

DOMINION OF CANADA—Annual Summary due between April 1 and June 1—Domestic companies having capital stock.

Annual Income Tax Return due between January 1 and April 30—Domestic and Foreign Corporations.

- KANSAS—Annual Report and Franchise Tax due between January 1 and March 31—Domestic and Foreign Corporations.
- MARYLAND—Annual Report due between January 1 and March 15—Domestic and Foreign Corporations.
- MASSACHUSETTS—Franchise Tax Return due between April 1 and April 10—Domestic and Foreign Corporations.
- MISSISSIPPI—Income Tax Return due on or before March 15—Domestic Corporations.
- MONTANA—Annual Report due in April or May—Foreign Corporations.
- NEBRASKA—Statement to Tax Commissioner due on or before April 15—Foreign Corporations.
- NEW JERSEY—Annual Tax Return due on or before first Tuesday of May—Domestic Corporations.
- NEW HAMPSHIRE—Annual Return due on or before April 1—Domestic and Foreign Corporations.
- NEW YORK—Annual Franchise Tax payable on or before March 15—Domestic and Foreign, Real Estate and Holding Corporations, Transportation and Transmission Companies, other than those subject to the so-called income tax.
- Annual Return of Withholding Agent due between January 1 and April 15—Domestic and Foreign Corporations.
- NORTH CAROLINA—Income Tax Return due on or before March 15—Domestic and Foreign Corporations.
- NORTH DAKOTA—Annual Income Tax Return due between January 1 and March 15—Domestic and Foreign Corporations.
- OREGON—Annual Income Tax Return due within 90 days after January 1 or within 90 days after close of fiscal year—Domestic and Foreign Corporations.
- PENNSYLVANIA—Emergency Profits Tax Return due on or before March 15—Domestic and Foreign Corporations doing business or having capital or property employed in Pennsylvania.
- QUEBEC—Sworn statement for Treasury Department due on or before May 1—Domestic and Foreign Corporations.
- SOUTH CAROLINA—Annual Income Tax Return due on or before March 15—Domestic and Foreign Corporations.
- TEXAS—Annual Capital Stock Report due between first day of January and the fifteenth day of March.
- Annual License Tax due on or before May 1—Domestic and Foreign Corporations.
- UNITED STATES—Annual Return of Net Income due on or before March 15—Domestic Corporations.
- VERMONT—Extension of Certificate of Authority due between January 1 and March 31—Foreign Corporations.
- List of stockholders due on or before April 5—Domestic and Foreign Corporations.
- WEST VIRGINIA—Annual Report due in April—Foreign Corporations.
- WISCONSIN—Annual Report due between January 1 and April 1—Domestic and Foreign Corporations.
- Income Tax Return due on or before March 15—Domestic and Foreign Corporations.

What stenography was to long-hand in reporting—

The Corporation Trust Company's services in incorporation or qualification in any state are to the old methods, by which counsel made his own search of state laws, precedents, practice, court decisions, forms, etc., necessary for proper preparation of papers, and then followed through for himself all the many details required to complete the work.

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THE CORPORATION TRUST COMPANY

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ters, and forwarded by first class mail to subscribers with directions for their substitution or addition in the Service. So at any moment you refer to it the Service enables you to see all that has been done by the Commission up to date in regard to any particular kind of business practice, or affecting firms in any particular line of business, or in connection with any particular business firm. The cost is but \$15 for a complete Service brought up to date of subscription and kept constantly up to date to the following April 30. Will be sent on approval when so desired.

THE CORPORATION TRUST COMPANY

37 Wall Street, New York

